

**OHIO TAX CREDIT AUTHORITY MEETING
MEETING MINUTES
MEETING DATE: SEPTEMBER 25, 2017**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:00 a.m. on September 25, 2017 in Columbus, Ohio by David Goodman.

Roll Call:	David Goodman, Acting	Present
	Darnita Bradley	Absent
	Brian Cooper	Present
	Emmett Kelly	Present
	David Smith	Present

Staff Members Present: Rasheda Hansard, Daniel Strasser, Eric Lindner, Lisa Colbert, and Brooke Ebersole

Others present: Liz Askew, Tony Clambrone, Andrea Enders, John Sadosky, Stephanie Mercado, and Michael Stanton

Minutes Approval: Goodman made a motion to approve the minutes of the August 30, 2017 meeting. Cooper seconded. The vote was 4-0 yes. Voting Goodman, Cooper, Kelly, and Smith.

PROJECTS

deSter Corporation appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Lima, Allen County. Goodman made a motion to approve a tax credit of 1.337% for 6 years for deSter Corporation in exchange for a commitment to create 70 new full-time equivalent employees generating \$2,750,000 in new annual payroll at the project location in the City of Lima, Allen County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2018 and end on 12/31/2023. Kelly seconded. The vote was 4-0. All present voted yes.

New Avon LLC appeared before the Tax Credit Authority requesting a tax credit for a project at a to-be-determined location. Goodman made a motion to approve a tax credit of 1.510% for 8 years for New Avon LLC in exchange for a commitment to create 85 new full-time equivalent employees generating \$3,700,000 in new annual payroll and retaining \$9,673,365 in existing payroll at the to-be-determined project location. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2018 and end on 12/31/2025. Smith seconded. The vote was 4-0. All present voted yes.

UPS Supply Chain Solutions, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in West Chester Township, Butler County. Goodman made a motion to approve a tax credit of 1.505% for 7 years for UPS Supply Chain Solutions, Inc. in exchange for a commitment to create 130 new full-time equivalent employees generating \$5,525,000 in new annual payroll at the project location in West Chester Township, Butler County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2018 and end on 12/31/2024. Copper seconded; Kelly abstained. The vote was 3-0. All present voted yes.

BoxCast Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cleveland, Cuyahoga County. Goodman made a motion to approve a tax credit of 1.402% for 7 years for BoxCast Inc. in exchange for a commitment to create 71 new full-time equivalent employees generating \$4,260,000 in new annual payroll and retaining \$1,996,551 in existing payroll at the project location in the City of Cleveland, Cuyahoga County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2018 and end on 12/31/2024. Smith seconded. The vote was 4-0. All present voted yes.

Trelleborg Sealing Profiles US, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Aurora, Portage County. Goodman made a motion to approve a tax credit of 1.289% for 6 years for Trelleborg Sealing Profiles US, Inc. in exchange for a commitment to create 32 new full-time equivalent

employees generating \$1,700,000 in new annual payroll and retaining \$8,000,000 in existing payroll at the project location in the City of Aurora, Portage County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2018 and end on 12/31/2023. Kelly seconded; Copper abstained. The vote was 4-0. All present voted yes.

OTHER BUSINESS

Print Syndicate, Inc. (City of Columbus/Franklin County)

The staff recommends that the Authority reduce the rate of the tax credit for failure to create the required amount of jobs and payroll as set forth in the agreement. Due to this failure, the Authority has statutory authorization to reduce the rate of the tax credit agreement. On 4/29/2013, the grantee was approved for a 45%/5 year tax credit in exchange for a commitment to create 150 FTEs with \$5,616,000 in new payroll and to retain 15 FTEs with \$432,000 in baseline payroll at the project location. The grantee's 2016 annual report showed 67 total FTEs with \$2,869,767.73 in total payroll, thereby making the grantee non-compliant with the tax credit agreement. Based on this information, the staff recommends that the Authority reduce the rate of the tax credit agreement to 40% starting in 1/1/2017 through the remainder of the active term ending 12/31/2018. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2019 – 2021.

Goodman made a motion to accept staff recommendation and Cooper seconded. The vote was 4-0. All present voted yes.

VXI Global Solutions, LLC (City of Forrest Park/Hamilton County)

The staff recommends that the Authority reduce the rate of the tax credit for failure to create the required amount of jobs and payroll as set forth in the agreement. Due to this failure, the Authority has statutory authorization to reduce the rate of the tax credit agreement. On 12/10/2012, the grantee was approved for a 45%/5 year tax credit in exchange for a commitment to create 200 FTEs with \$4,526,080 in new payroll at the project location. The grantee's 2016 annual report showed 125 total FTEs with \$3,618,237 in total payroll, thereby making the grantee non-compliant with the tax credit agreement. Based on this information and after taking into consideration market conditions, the staff recommends that the Authority reduce the rate of the tax credit agreement to 40% starting in 1/1/2017 through the remainder of the active term ending 12/31/2018. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2019 – 2021.

Goodman made a motion to accept staff recommendation and Kelly seconded. The vote was 4-0. All present voted yes.

Matrix Technologies, Inc. (City of Maumee/Lucas County)

***Tabled until the next meeting*

Goodman made a motion to table the staff recommendation and Kelly seconded. The vote was 4-0. All present voted yes.

Consolidated Metco, Inc. (City of Chillicothe/Ross County)

The staff recommends that the Authority reduce the rate of the tax credit for failure to create the required amount of jobs and payroll as set forth in the agreement. Due to this failure, the Authority has statutory authorization to reduce the rate of the tax credit agreement. On 6/30/2014, the grantee was approved for a 1.238%/5 year tax credit in exchange for a commitment to create 55 FTEs with \$2,335,906 in new payroll at the project location. The grantee's 2016 annual report showed 46 total FTEs with \$1,652,226.06 in total payroll, thereby making the grantee non-compliant with the tax credit agreement. Based on this information and after taking into consideration market conditions, the staff recommends that the Authority reduce the rate of the tax credit agreement to 1.100% starting in 1/1/2017 through the remainder of the active term ending 12/31/2018. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2019 – 2021.

Goodman made a motion to accept staff recommendation and Smith seconded. The vote was 4-0. All present voted yes.

Clinical Outcomes Management Systems, LLC (City of Broadview Heights/Cuyahoga County)

The staff recommends that the Authority reduce the term of the tax credit for failure to create the required amount

of jobs and payroll as set forth in the agreement. Due to this failure, the Authority has statutory authorization to reduce the term of the tax credit agreement. On 9/30/2013, the grantee was approved for a 45%/6 year tax credit in exchange for a commitment to create 119 FTEs with \$8,700,000 in new payroll and to retain 25 FTEs with \$1,749,313 in baseline payroll at the project location. The grantee's 2016 annual report showed 27 total FTEs with \$2,493,116 in total payroll, thereby making the grantee non-compliant with the tax credit agreement. Additionally, the grantee is below the minimum job creation threshold required to remain eligible for the JCTC program. Based on this information, the staff recommends that the Authority reduce the term of the tax credit agreement to 3 years, ending 1/1/2017. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017 – 2020.

Goodman made a motion to accept staff recommendation and Cooper seconded. The vote was 4-0. All present voted yes.

Praxair Distribution, Inc. (City of Wilmington/Clinton County)

The staff recommends that the Authority terminate the tax credit agreement for failure to submit an annual report during the reporting period. On 3/25/2013, the grantee was approved for a 40%/6 year tax credit in exchange for a commitment to create 25 FTEs with \$1,092,000 in new payroll at the project location. Due to the grantee's failure to file the 2016 annual report, the Authority has statutory authorization to terminate the tax credit agreement.

Goodman made a motion to accept staff recommendation and Cooper seconded; Kelly abstained. The vote was 3-0. All present voted yes.

xperlon E & E USA LLC (City of Health/Licking County)

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to maintain operations during the reporting period. On 10/28/2013, the grantee was approved for a 50%/7 year tax credit in exchange for a commitment to create 59 FTEs with \$2,000,000 in new payroll at the project location. On 8/29/2016, the Authority reduced the new job commitment to 45 FTEs and reduced the rate of the tax credit to 40%. After meeting with the grantee, ODSA has learned that the grantee ceased operations at the project location in July 2017. Due to this failure, the Authority has statutory authorization to require clawback of 100% of the credits issued, which totaled \$31,488.37. No response was received by the grantee to a request for market conditions. Based on this information, the staff recommends terminating the agreement with clawback of \$31,488.37.

Goodman made a motion to accept staff recommendation and Smith seconded. The vote was 4-0. All present voted yes.

Ford Motor Company (City of Avon Lake/Lorain County)

With the company's written consent, staff recommends that the Authority reduce the term of the agreement from 15 years to 10 years, which changes the end date from 12/31/2028 to 12/31/2023. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2024 – 2026.

Goodman made a motion to accept staff recommendation and Cooper seconded. The vote was 4-0. All present voted yes.

BrewDog USA Inc. (City of Canal Winchester/Franklin County)

The staff recommends that the Authority make the following changes:

- (1) Change the name of the grantee from BrewDog USA, Inc. (and associated FEIN) to BrewDog Brewing Company LLC (and associated FEIN)
- (2) Add the grantee, BrewDog Columbus LLC (and associated FEIN) to the tax credit agreement.

Goodman made a motion to accept staff recommendation and Smith seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Safeguard Properties Management, LLC (Cities of Valley View and Brooklyn Heights/Cuyahoga County.)

The staff recommends that the Authority make the following changes:

- (1) Increase the new job commitment from 250 FTEs to 300 FTEs;
- (2) Increase the new payroll commitment from \$7,900,000 to \$9,400,000 in new payroll;
- (3) Increase the retained job commitment from 789 FTEs to 923 FTEs;
- (4) Increase the retained payroll commitment from \$43,500, to \$46,400,000;

(5) Increase the baseline income tax revenue for report year 2017 to \$1,500,162.07. This amount will be increased for 2018 and 2019 by the pay increase factor (1.022) in accordance with the agreement.

Goodman made a motion to accept staff recommendation and Kelly seconded. The vote was 4-0. All present voted yes.

Octal Extrusion Corp. (West Chester Township/Butler County)

The staff recommends that the Authority make the following changes:

- (1) Reinstate the approval of the tax credit agreement, reversing the cancellation which was approved by the Authority on 10/26/15;
- (2) Change the start date of the Incentive from 1/1/2014 to 1/1/2015;
- (3) Change the metric evaluation date of the Incentive from 12/31/2016 to 12/31/2017;
- (4) Change the end date of the Incentive from 12/31/2020 to 12/31/2021.

Goodman made a motion to accept staff recommendation and Kelly seconded. The vote was 4-0. All present voted yes.

Obase, LLC (City of Beavercreek/Greene County)

The staff recommends that the Authority change the project location from 3800 Pentagon Dr., Suite 300, Beavercreek, OH, 45431 to 3725 Pentagon Blvd, Suite 120, Beavercreek, OH 45431.

Goodman made a motion to accept staff recommendation and Kelly seconded. The vote was 4-0. All present voted yes.

CKS Solutions, Inc. (City of Batavia/Clermont County)

The staff recommends that the Authority change the project location from 4101 Founders Blvd., Batavia, OH 45103 to 4293 Muhlhauser Rd. Fairfield, OH 45014, USA.

Goodman made a motion to accept staff recommendation and Cooper seconded. The vote was 4-0. All present voted yes.

Process Equipment Co. of Tipp City (City of Tipp City/Miami County)

The staff recommends that the Authority change the project location from 6555 State Route 202, Tipp City, OH 45371 to 319 S. First St., Tipp City, OH 45371.

Goodman made a motion to accept staff recommendation and Cooper seconded. The vote was 4-0. All present voted yes.

A-Brite LP (City of Cleveland/Cuyahoga County)

With the company's written consent, the staff recommends that the Authority approve the conversion of the grantee's Ohio Job Creation Tax Credit program from a withholdings-based Incentive to a payroll-based Incentive. Staff recommends the following changes to the tax credit agreement:

- 1) Change the tax credit rate from 45% to 1.016%;
- 2) Update the baseline payroll to \$124,759.72 for year 1 and \$126,755.88 for year 2.

These changes are authorized by ORC 122.17(R), effective 9/29/2015.

Goodman made a motion to accept staff recommendation and Cooper seconded. The vote was 4-0. All present voted yes.

NBBJ LLC (City of Columbus/Franklin County)

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has not claimed any tax credit certificates and has agreed to waive any pending or unissued tax credit certificates.

Goodman made a motion to accept staff recommendation and Smith seconded. The vote was 4-0. All present voted yes.

MOTION TO AJOURN

The meeting was adjourned at 10:45 a.m. by David Goodman.

The next meeting is scheduled October 30, 2017 at 10:00 a.m. on the 31st Floor.

Chair of Ohio Tax Credit Authority's Signature

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be 'D. Goodman'.